



United States
Department of
Agriculture

Farmers
Home
Administration

FmHA AN No. 576 (1946)

Washington
D.C.
20250

August 18, 1981

SUBJECT: Disbursement of Insured and Guaranteed
Economic Emergency (EE) Loan Funds
After September 30, 1981

TO: All State Directors, Farmer Programs Chiefs,
District Directors, County Supervisors, and
Director, National Finance Office

The purpose of this AN is to clarify existing EE loan policies and regulations regarding disbursement of EE loan funds after September 30, 1981, to borrowers with EE loans approved prior to the termination date of the EE loan program. The EE loan program is scheduled to expire by law September 30, 1981 and we do not anticipate the program to be extended. Therefore, no EE loans can be approved or guaranteed after that date.

Insured EE loans approved on or before September 30, 1981, do not require immediate disbursement and may be disbursed after the September 30, 1981, date. Accordingly, such loans will be closed in the usual manner and the funds disbursed at loan closing through the FmHA Loan Disbursement System or a supervised bank account.

For guaranteed EE loans, any Loan Note Guarantee or Contract of Guarantee covering a line of credit loan must be dated and issued no later than September 30, 1981. Lenders will be permitted to disburse guaranteed EE loan funds after September 30, 1981, only if such disbursements are considered a part of the original principal loan amount and in accordance with Form FmHA 1980-25, "Request for Guarantee" submitted by lender and approved by FmHA. In those cases where the lender has advanced all guaranteed EE loan funds on or prior to September 30, 1981, no further advance after September 30, 1981 will be permitted under the Guarantee. Also, any principal reduction payments received after September 30, 1981, on a line of credit loan cannot be readvanced to the borrower.

County Supervisors should immediately contact all lenders with guaranteed EE loans to advise them of the above and document in each county case file the date the contact was made with the lender and the name of the representative receiving the notice.

Charles W. Shuman
Administrator

Sent via electronic mail on August 18, 1981 at 10:30 a.m.

Filing Instruction: Preceding
FmHA Instruction 1941-A

Expiration Date: July 31, 1982



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Secretary of Agriculture, Washington, D.C. 20250